

PROVIDING COST-OF-LIVING INCREASE IN FEDERAL
EMPLOYEE ANNUITIES

JULY 4, 1952.—Ordered to be printed

Mr. MURRAY, from the committee of conference, submitted the following

CONFERENCE REPORT

To accompany S. 2968]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2968) to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That section 8 of the Civil Service Retirement Act of May 29, 1930, as amended (5 U. S. C. 736c), is amended by adding at the end thereof the following:*

“(c) (1) *The annuity of any retired employee or of any survivor of a deceased or retired employee who, before the date of enactment of this amendment, was receiving or entitled to receive an annuity from the civil-service retirement and disability fund, shall be increased, effective on the first day of the second month following enactment of this amendment, by \$36 for each full six-month period elapsed between the commencing date of annuity and October 1, 1952: Provided, That such increase in annuity shall not exceed the lesser of \$324 or 25 per centum of the present annuity: Provided further, That no annuity shall be increased to an amount in excess of \$2,160 by reason of the enactment of this amendment: And provided further, That the increases to retired employees provided by this subsection shall not operate to increase the annuities of their survivors.*

“(2) *The increases in annuity provided by this subsection shall be paid from the civil-service retirement and disability fund, and shall terminate, without subsequent resumption, on June 30, 1955, or on an*

2 COST-OF-LIVING INCREASE IN FEDERAL EMPLOYEE ANNUITIES

earlier date under any one of the following conditions, whichever may first occur:

"(A) At the end of the second month following the third consecutive month for which the Consumers' Price Index of the Bureau of Labor Statistics is less than 169.9, the index for the month of April 1948. In the event that the Bureau of Labor Statistics revises the basis of calculating the Consumers' Price Index, it shall immediately furnish to the Commission a conversion factor designed to adjust to the new basis the index figure of 169.9 described herein, and such adjusted index shall be used for the purposes of this subsection.

"(B) On June 30, 1954, unless an appropriation is made to the civil-service retirement and disability fund in the applicable annual appropriation Act, for the fiscal year 1955, or in any prior appropriation Act, for the specific purpose of compensating said fund for the cost, as determined by the Commission, of increases provided by this subsection during the fiscal years 1954 and 1955."

SEC. 2. (a) There is hereby created a body to be known as the Committee on Retirement Policy for Federal Personnel, which shall be composed of a chairman appointed by the President and, *ex officio*, the Secretary of the Treasury, the Secretary of Defense, the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Bureau of the Budget, and the Chairman of the Civil Service Commission.

(b) The Committee shall make a comparative study of all retirement systems for all Federal personnel and report to the Congress not later than December 31, 1953. Its report, including findings and recommendations, shall include the following:

(1) the types and amounts of retirement and other related benefits provided to Federal personnel, including their role in the compensation system as a whole;

(2) the necessity for special benefit provisions for selected employee groups, including overseas personnel and employees in hazardous occupations;

(3) the relationships of these retirement systems to one another, to the Federal employees' compensation system, and to such general systems as old-age and survivors insurance; and

(4) the current financial status of the several systems, the most desirable methods of cost determination and funding, the division of costs between the Government and the members of the systems, and the policies that should be followed in meeting the Government's portion of the cost of the various systems.

(c) The Chairman of said Committee, under such rules and regulations as the President may prescribe, is authorized to procure services pursuant to section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and subject to the civil-service laws and the Classification Act of 1949, as amended, to appoint and fix the compensation of such attorneys and other personnel as may be necessary to carry out the provisions of this section. There are hereby authorized to be appropriated to the President such sums as may be necessary to carry out the provisions of this section.

SEC. 3. Section 13 of the Civil Service Retirement Act of May 29, 1930, as amended (5 U. S. C. 716), is amended by adding at the end thereof the following paragraph:

"Any person entitled to annuity from the civil-service retirement and disability fund may decline to accept all or any part of such annuity by a

waiver signed and filed with the Commission. Such waiver may be revoked in writing at any time, but no payment of the annuity waived shall be made covering the period during which such waiver was in effect."

And the House agree to the same.

TOM MURRAY,
GEORGE P. MILLER,
EDWARD H. REES,

Managers on the Part of the House.

OLIN D. JOHNSTON,
JOHN O. PASTORE,
GEORGE SMATHERS,
WILLIAM LANGER,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2968) to amend section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment, and that the House agree to the same.

Except for the differences noted in the following statement, and except for technical and clarifying drafting changes, the conference substitute is the same as the House amendment.

The first section of the Senate bill added to section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, a new subsection (c) which provided for increases in annuities of retired employees. The House amendment granted the same increases to retired employees and, in addition, granted such increases to survivors now receiving or entitled to receive annuities. The Senate bill did not limit the aggregate annuity which might be received by reason of any increase granted in such subsection. The House amendment provided that no such aggregate annuity shall be in excess of \$2,000. Under the conference substitute, no such aggregate annuity shall exceed \$2,160.

The conference substitute adds to paragraph (1) of such subsection (c) a proviso which makes it clear that the increases granted by such paragraph (1) shall not apply to future annuities of survivors of retired employees who receive increases under such paragraph (1). This proviso was contained in the Senate bill.

Paragraph (2) of the new subsection (c) as contained in the House amendment provided for termination of the annuity increases on June 30, 1955, or for termination on an earlier date if certain conditions occurred.

Under subparagraph (B) of such paragraph (2) the annuity increases would terminate on June 30, 1953, unless an appropriation were made to the civil-service retirement and disability fund in order to finance the increases payable during the fiscal years 1953 and 1954. Under subparagraph (C) of such paragraph (2) the annuity increases would terminate on June 30, 1954, unless a corresponding appropriation were made to finance such increases for the fiscal year 1955.

Under the conference agreement these subparagraphs were combined and modified so as to provide for termination of the annuity increases on June 30, 1954 unless an appropriation is made to finance the increases payable during the fiscal years 1954 and 1955.

Section 2 of the House amendment created a Committee on Retirement Policy for Federal Personnel, to be composed of five members, which was to make a comparative study of all retirement systems for all Federal personnel and submit a report to the Congress not later than December 31, 1953. Section 2 of the conference substitute contains provisions identical to those of the House amendment with respect to such committee, except that the membership of the committee is increased to include the Secretary of Defense.

TOM MURRAY,
GEORGE P. MILLER,
EDWARD H. REES,

Managers on the Part of the House.



